



## NOTICES OF RULEMAKING DOCKET OPENING

This section of the *Arizona Administrative Register* contains Notices of Rulemaking Docket Opening.

A docket opening is the first part of the administrative rulemaking process. It is an “announcement” that the agency intends to work on its rules.

When an agency opens a rulemaking docket to consider rulemaking, the Administrative Procedure Act (APA) requires the publication of the Notice of Rulemaking Docket Opening.

Under the APA effective January 1, 1995, agencies must submit a Notice of Rulemaking Docket Opening before beginning the formal rulemaking process. Many times an agency may file the Notice of Rulemaking Docket Opening with the Notice of Proposed Rulemaking.

The Office of the Secretary of State is the filing office and publisher of these notices. Questions about the interpretation of this information should be directed to the agency contact person listed in item #4 of this notice.

### NOTICE OF RULEMAKING DOCKET OPENING DEPARTMENT OF ADMINISTRATION BENEFIT SERVICES DIVISION

[R17-12]

1. **Title and its heading:**  
**Chapter and its heading:**  
**Article and its heading:**  
  
**Section numbers:**

2, Administration  
6, Department of Administration - Benefit Services Division  
1, General Provisions  
2, Insurance Plans  
3, Eligibility Criteria  
R2-6-101, R2-6-105, R2-6-106, R2-6-107, R2-6-108, R2-6-204,  
R2-6-301, R2-6-302 and R2-6-303 (*The Division may add, delete, or modify other Sections, as necessary.*)
2. **The subject matter of the proposed rules:**

The Division is initiating this rulemaking for the rules in Title 2, Chapter 6: Department of Administration Benefit Services Division that govern the insurance benefit plans made available by the agency, eligibility criteria, enrollment periods, effective dates, and the procedures for requesting a review of either a plan provider decision or an agency decision. These rules impact all state employees (including university employees), retirees, former elected officials, and plan providers. These rules are being updated in order to be consistent with other rules and statutes.

The federal laws used in determining the consistency include, but are not limited to:

  - The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, which provides employees and their dependents the opportunity to continue group health insurance coverage that might otherwise be terminated.
  - The Health Information Technology for Economic and Clinical Health (HITECH) Act, which addresses privacy and security concerns associated with the electronic transmission of health information.
  - The Health Insurance Portability and Accountability Act (HIPAA) of 1996, which protects health insurance coverage for employees and their covered dependents when they change or lose their jobs and establishes the requirements for the security and privacy of health data, including who is covered, what information is protected, and how protected health information can be used and disclosed.
  - The Newborns’ and Mothers’ Health Protection Act (Newborns’ Act) of 1996, which includes important protections for mothers and their newborn children with regard to the length of the hospital stay following childbirth, and the notice to satisfy the Newborns’ Act disclosure requirement.
  - The Patient Protection and Affordable Care Act (PPACA), which includes a requirement for insurance companies to cover all applicants within new minimum standards and regardless of pre-existing conditions; requires that adult children be allowed to remain on their parents’ insurance plans until the child turns 26 years old; and, will require employers to offer health insurance to employees who work an average of 30 or more hours per week, with some exceptions.
  - Section 125 of the Internal Revenue Code, which sets forth the requirements and tax treatment of cafeteria [insurance] plans, including flexible spending accounts.

The state laws used in determining the consistency include, but are not limited to:

  - Applicable state statutes in Title 20 (because the health benefit plan is self-funded, A.R.S. § 38-651 requires the agency to provide that the self-insurance program include all health coverage benefits that are mandated pursuant to Title 20).
  - A.R.S. § 38-612, Administration of payroll salary deductions, which allows state officers or employees to authorize deductions to be made from their salaries or wages for the payment of premiums on any health benefits, disability plans or group life plans provided for by statute and any existing insurance programs already provided by payroll deduction.
  - The statutes in Title 38, Chapter 4, Article 4, Health and Accident Insurance.
  - A.R.S. § 38-1114, Health insurance payments for spouse or dependents of law enforcement officer killed in the line of duty; applicability; definitions.



• A.R.S. § 41-703, Duties of [ADOA] director, which grants general authority to the ADOA Director for the agency's activities and operations; A.R.S. § 41-703(11) authorizes the ADOA Director to delegate "as the director deems necessary to carry out the efficient operation of the department."

This rulemaking is also in response to a five-year review report to the Governor's Regulatory Review Council. Rule changes may include necessary revisions to comply with the format and style requirements of the Governor's Regulatory Review Council and the Office of the Secretary of State. The Department may add, delete, or modify the rule Sections as needed to make these changes.

**3. A citation to all published notices relating to the proceeding:**

Notice of Proposed Rulemaking: 23 A.A.R. 323, February 10, 2017 (*in this issue*).

**4. The name and address of agency personnel with whom persons may communicate regarding the rule:**

Name: Kayla Stivason, Contracts Specialists  
Address: Arizona Department of Administration  
Benefit Services Division  
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Phoenix, AZ 85007  
Telephone: (602) 364-0803  
Fax: (602) 542-4048  
E-mail: Kayla.Stivason@azdoa.gov

**5. The time during which the agency will accept written comments and the time and place where oral comments may be made:**

The Division will accept comments during business hours at the address listed in item #4. Information regarding an oral proceeding is included in the Notice of Proposed Rulemaking in this issue.

**6. A timetable for agency decisions or other action on the proceeding, if known:**

Refer to the Notice of Proposed Rulemaking in this issue.